

United States  
Department of  
Agriculture

Food and  
Nutrition  
Service

Mountain  
Plains  
Region

1244 Speer Boulevard  
Denver, CO 80204

AUG 05 1993

Reply to  
Attn. of: CACFP-359

Subject: Determining the Eligibility of Proprietary Adult Day Care Centers

To: STATE AGENCY DIRECTORS - Colorado DH, Iowa, Kansas, Missouri DH,  
(Special Nutrition Programs) Montana DHES, Nebraska ED, North Dakota,  
South Dakota, Utah, and Wyoming ED

Section 17(o)(2)(b) of the National School Lunch Act states that: "...the term 'proprietary Title XIX or proprietary Title XX center' means any private, for profit center providing adult day care services for which it receives compensation from amounts granted to the States under Title XIX or Title XX of the Social Security Act and which Title XIX or Title XX beneficiaries were not less than 25 percent of enrolled eligible participants in a calendar month preceding initial application or annual reapplication for program participation." Because of the "or" between Title XIX and Title XX in this provision, the Department had interpreted it in the past to mean that there must be 25 percent of either one or the other (not the sum of both) to meet the requirement.

After extensive review of the issue, the Department is changing this "either or" policy with regard to Title XIX and Title XX enrollment. It was believed that the purpose of the provision was to ensure that proprietary centers participating in the Child and Adult Care Food Program (CACFP) serve low-income individuals. Congress has chosen to identify those low-income individuals through their receipt of Title XIX or Title XX benefits. A proprietary center should be allowed to participate if the total number of low-income individuals (i.e., Title XIX and Title XX beneficiaries) in care is 25 percent of the center's enrollment. Therefore, the policy is being changed to allow proprietary adult day care centers to combine the number of Title XIX and Title XX beneficiaries enrolled in care when determining eligibility for CACFP participation.

If you have any questions concerning this provision, please contact my staff at (303) 844-0359.

*Ann C. Hector*

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Regional Director  
Special Nutrition Programs